

ORDER NO. 1263

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton; and  
Robert G. Taub

Avalon Post Office  
Avalon, Texas

Docket No. A2012-78

ORDER AFFIRMING DETERMINATION

(Issued February 28, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012”.<sup>1</sup> The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

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<sup>1</sup> United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).



the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On November 18, 2011, Dr. David Del Bosque, Superintendent of the Avalon Independent School District, (Petitioner) filed a petition with the Commission on behalf of the Save the Avalon Post Office organization seeking review of the Postal Service’s Final Determination to close the Avalon, Texas post office (Avalon post office).<sup>2</sup>

The Final Determination to close the Avalon post office is affirmed.<sup>3</sup>

## II. PROCEDURAL HISTORY

On December 2, 2011, the Commission established Docket No. A2012-78 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.<sup>4</sup>

On December 5, 2011, the Postal Service filed the Administrative Record with the Commission.<sup>5</sup> The Postal Service also filed comments requesting that the Commission affirm its Final Determination.<sup>6</sup>

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<sup>2</sup> Petition for Review received from Dr. David Del Bosque regarding the Avalon, TX post office 76623, November 18, 2011 (Petition).

<sup>3</sup> The Commission is divided equally, 2-2, on the outcome of this appeal. In the absence of a majority, the Final Determination stands.

<sup>4</sup> Order No. 1021, Notice and Order Accepting Appeal and Establishing Procedural Schedule, December 2, 2011.

<sup>5</sup> The Administrative Record is attached to the United States Postal Service Notice of Filing, December 5, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the Avalon, TX Post Office and Continue to Provide Service by Rural Route Service (Final Determination).

<sup>6</sup> United States Postal Service Comments Regarding Appeal, January 13, 2011 (Postal Service Comments). The accompanying Motion of the United States Postal Service for Late Acceptance of Comments Regarding Appeal, January 13, 2012, is granted.



Petitioner did not file a participant statement supporting his Petition. On December 6, 2011, the Public Representative filed comments.<sup>7</sup>

### III. BACKGROUND

The Avalon post office provides retail postal services and service to 165 post office box customers. Final Determination at 2. No delivery customers are served through this office. The Avalon post office, an EAS-11 level facility, provides retail service from 7:00 a.m. to 12:00 p.m. and 1:00 p.m. to 4:00 p.m., Monday through Friday, and 7:00 a.m. to 9:45 a.m. on Saturday. Lobby access hours are 24 hours on Monday through Friday, and 24 hours on Saturday. *Id.*

The postmaster position became vacant on January 1, 2010, when the Avalon postmaster retired. A non-career officer-in-charge (OIC) was installed to operate the office. *Id.* at 5. Retail transactions average 17 transactions daily (19 minutes of retail workload). *Id.* at 2. Post office receipts for the last 3 years were \$30,070 in FY 2008; \$27,238 in FY 2009; and \$22,188 in FY 2010. *Id.* There are three permit or postage meter customers. Administrative Record, Item No. 15 at 1. By closing this office, the Postal Service anticipates savings of \$49,679 annually. Final Determination at 4.

After the closure, retail services will be provided by the post office in Italy, Texas located approximately 6 miles away (Italy post office).<sup>8</sup> Delivery service will be provided by rural route service to cluster box units (CBUs). The Italy post office is an EAS-16 level office, with retail hours of 8:00 a.m. to 4:00 p.m., Monday through Friday, and 9:00 a.m. to 10:00 a.m. on Saturday. *Id.* Sixty-one (61) post office boxes are available. *Id.* The Postal Service will continue to use the Avalon name and ZIP Code. Administrative Record, Item No. 50 at 1.

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<sup>7</sup> Public Representative Comments, December 6, 2011 (PR Comments).

<sup>8</sup> *Id.* at 2. Google Maps estimates the driving distance between the Avalon and Italy post offices to be approximately 6.2 miles (8 minutes driving time).



#### IV. PARTICIPANT PLEADINGS

*Petitioner.* Petitioner opposes the closure of the Avalon post office. First, he contends that the Postal Service failed to consider the negative effect of the closing on the Avalon community. Petition at 1, 2. Second, he also challenges the procedures used by the Postal Service. *Id.* at 2, 4-6, 10-12, 17-19. Third, he asserts that the proposed service from and through the Italy post office suffers from serious shortcomings. *Id.* at 6-9, 11-13, 15-16. Finally, he argues that the Postal Service's projection of economic savings is fatally defective. *Id.* at 3, 8-9, 13-14, 17.

*Postal Service.* The Postal Service argues that the Commission should affirm its determination to close the Avalon post office. Postal Service Comments at 2. The Postal Service believes the appeal raises three main issues: (1) the effect on postal services; (2) the impact on the Avalon community; and (3) the economic savings expected to result from discontinuing the Avalon post office. *Id.* at 1. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the Avalon post office should be affirmed. *Id.* at 2.

The Postal Service explains that its decision to close the Avalon post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and low office revenue;
- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- little recent growth in the area;
- minimal impact on the community; and
- expected financial savings.

*Id.* at 5-6. The Postal Service contends that it will continue to provide regular and effective postal services to the Avalon community when the Final Determination is implemented. *Id.* at 6.



The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioners regarding the effect on postal services, the effect on the Avalon community, economic savings, and the effect on postal employees. *Id.* at 3.

*Public Representative.* The Public Representative concludes that the Postal Service followed applicable procedures, that the decision to close the Avalon post office is neither arbitrary nor capricious, and that the decision is supported by substantial evidence. PR Comments at 1.

## V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

### A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons



served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. *Id.* § 404(d)(5).

The record indicates the Postal Service took the following steps in providing notice of its intent to close. On May 16, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Avalon post office. Final Determination at 2. A total of 226 questionnaires were distributed to delivery customers. Other questionnaires were made available at the retail counter. *Id.* A total of 53 questionnaires were returned. On June 1, 2011, the Postal Service held a community meeting at the Avalon post office to address customer concerns. *Id.*; Administrative Record, Item No. 24. Seventy-three (73) customers attended. Final Determination at 2.

Petitioner contends that the Postal Service should have attempted to fill the vacant postmaster position and should have pursued alternatives to closing the Avalon post office. *Id.* at 2, 12, 18-19.

The Postal Service responds to Petitioner's claim that a greater effort should have been made to fill the Avalon postmaster position by alluding to hiring freezes over the past several years and by noting that whenever there is a vacancy in a small office, it is customary to conduct a study of the business activity and investigate the feasibility of providing service by alternative means. Postal Service Comments at 2, note 5.

The Postal Service posted the proposal to close the Avalon post office with an invitation for comments at the Avalon and Italy post offices from June 20, 2011 through August 21, 2011. Final Determination at 2. The Final Determination was posted at the same two post offices from October 17, 2011 through November 18, 2011. Administrative Record, Item No. 49.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).



## B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

*Effect on the community.* Avalon, Texas is an unincorporated community located in Ellis County, Texas. Administrative Record, Item No. 16. The community is administered politically by Ellis County Waxahachie. Police protection is provided by the Ellis County Waxahachie. Fire protection is provided by the Avalon Volunteer Fire Department. The community is comprised of small businesses, farmers, retirees and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. See *generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Avalon community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Avalon post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 2-3, 4.

Petitioner argues that the reports and questionnaires regarding the closing were difficult to understand and that as a result customer responses may not fully reflect community opinion. *Id.* at 5. He also argues that the questionnaires were incorrectly tallied because various responses were grouped under a single category such as "favorable". *Id.* at 5. Finally, Petitioner argues that the Postal Service did not schedule the community meeting at a convenient time, and that the attending representatives



were not fulfilling the intended fact-finding purpose of the meeting. *Id.* at 4, 6, 10, 14, 17.

The Postal Service states that no respondent indicated that questions in the questionnaire were confusing. *Id.* at 4, note 9. It further explains that the questionnaire analysis is intended for internal use for the benefit of Postal Service employees to summarize information gathered from the questionnaires, and that the readability of the analysis is not meant to serve as communication to the general public. *Id.* 4, note 10.

The Postal Service defends its choice of a community meeting time by pointing out that no single time is ever convenient for all customers and that meetings held during a post office's normal hours of operation suits customers who routinely use that office. *Id.* at 5, note 12. The Postal Service notes further that over 70 customers were able to attend the community meeting and no complaints were received regarding the scheduling. *Id.* Finally, the Postal Service explains that a discontinuance study process affords customers multiple avenues for providing their input, and that if those opportunities do not suffice, then formal comments on a proposal posted for 60 days provide another means for submission of customer input. *Id.*

Petitioner also criticizes the Postal Service for not appreciating the importance of the post office to the community. Petition at 11-12, 16. He argues that the post office is a landmark and cornerstone of the community, and that Avalon is dependent on the post office for future growth. *Id.* at 4, 16. In that connection, Petitioner alleges that the school district of which he is superintendent was not acknowledged as a permit mailer during the discontinuance process and that the school district has experienced significant growth over the past 7 years. *Id.* at 3, 16. He asserts further that the closing of the Avalon post office will result in the community's loss of connectivity to the federal government, as well as a location for customer interactions. *Id.* at 12. He also argues that the closure will adversely affect the potential new businesses that would rely upon postal services. *Id.* at 15.

The Postal Service asserts that the Avalon post office is neither a state nor national landmark. Postal Service Comments at 12. It also points out that Petitioner's



school district was considered during the discontinuance process as evidenced by its listing among businesses and other organizations in the Final Determination. *Id.* at 3 (*citing* Administrative Record, Item No. 15, Post Office Survey, at 1); *Id.* at 12; Final Determination at 4. The Postal Service asserts that growth of the school district differs from growth of the community and that the Avalon community, it argues, has experienced minimal growth in recent years. *Id.* at 13.

In response to Petitioner's argument that there are no alternative sites in Avalon for the community bulletin board housed in the Avalon post office, the Postal Service argues that the CBU location in Avalon may serve as an appropriate gathering place for residents, or that the Italy post office may have a public bulletin board to serve this purpose as well. *Id.* at 12-13.

The Postal Service contends that the growth of a community does not depend on the location of a post office, and that despite the purported growth of the school district, post office revenues have nevertheless declined for the last 3 years. *Id.* at 13. Finally, it should be noted that the Postal Service will continue to use the Avalon name and ZIP Code. Administrative Record, Item No. 50 at 1.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

*Effect on employees.* The Postal Service states that the Avalon postmaster retired on January 1, 2010 and that an OIC has operated the Avalon post office since then. Final Determination at 4. It asserts that after the Final Determination is implemented, the temporary OIC may be separated from the Postal Service and that no other Postal Service employee will be adversely affected. *Id.*

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the Avalon post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

*Effective and regular service.* The Postal Service asserts that it has considered the effect the closing will have on postal services provided to Avalon customers. Postal Service Comments at 6. It asserts that customers of the closed Avalon post office may



obtain retail services at the Italy post office located 6 miles away. Final Determination at 2. The Avalon post office box customers may obtain Post Office Box Service at the Italy post office, which has 61 boxes available.<sup>9</sup> *Id.*

Delivery service will also be provided by rural route service to CBUs through the Italy post office. Final Determination at 2. For customers choosing not to travel to the Italy post office, the Postal Service explains that retail services will be available from the carrier. Postal Service Comments at 6. The Postal Service notes that it is not necessary to meet the carrier for service, since most transactions do not require meeting the carrier at the mailbox. *Id.* at 8.

Petitioner argues that most residents, which includes the most vulnerable, do not have access to other alternative sources of postal services, such as postage that can be purchased on the internet. Petition at 6. He disagrees with the Postal Service's assertions that the rural carrier can effectively provide postal services, noting that mail transactions will be delayed and subject to irregular hours without a post office. *Id.* at 6, 8-9. He also argues that mailboxes lack the convenience and security of post office boxes, and expose both parcels, including parcels containing customer medications, as well as carriers to adverse weather conditions. *Id.* at 6-8, 9, 10. In this connection, Petitioner states that the receipt of large packages that do not fit in a mailbox will be particularly burdensome because they will require customers to take an otherwise unnecessary 7 mile trip to the Italy post office. *Id.* at 9. Finally, Petitioner objects to the Postal Service's failure to consider other alternatives. *Id.* at 12.

The Postal Service responds to Petitioner's claim that most residents lack access to the internet by asserting that stamps may still be purchased at many stores and gas stations, or by calling a Postal Service toll free number. Postal Service Comments at 7. The Postal Service responds to Petitioner's assertions that customer reliance upon rural carriers is impractical or infeasible by arguing that many customers should be in the

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<sup>9</sup> The 165 post office boxes at the Avalon post office will be replaced by 165 CBUs. Administrative Record, Item No. 17 at 2. Thus, the fact that the Italy post office has only 61 boxes available will not adversely affect Avalon post office box customers.



Avalon community when the carrier arrives; that the predictability of the carrier's schedule should be enhanced by CBU delivery; and that postal services can be obtained from other Postal Service facilities or alternate access locations within the customer's immediate vicinity. *Id.* at 8-9.

The Postal Service states further that notwithstanding the fact that mail theft and vandalism are not significant problems, it has proposed CBUs with parcel lockers to address Petitioner's expressions of concerns regarding mail security. *Id.* at 7, 9. See also Administrative Record, Item No. 15 at 2; *Id.*, Item No. 17 at 2; *Id.*, Item No. 29 at 2; and *Id.*, Item No. 42 at 1. These CBUs are secure, free-standing delivery receptacles and will be purchased and maintained by the Postal Service at no expense to customers. Postal Service Comments at 7. With respect to concerns regarding the effect of extreme weather conditions on medications sent through the mail, the Postal Service stated that special delivery arrangements can be requested by customers when necessary. *Id.* at 8-9.

With respect to Petitioner's expressions of concern regarding large parcels, the Postal Service notes the right of customers to request redelivery or an alternative delivery location. *Id.* at 9-10. Only if alternative delivery arrangements prove to be unsuccessful will the customer find it necessary to travel to the Italy post office to recover the parcel.

Finally, the Postal Service responds to Petitioner's complaint that it did not consider other alternatives to the proposed replacement services by stating that it is not required to evaluate alternative proposals, it is only responsible for formulating a specific proposal and evaluating it under the applicable provisions of Title 39 of the United States Code. *Id.* at 14. In this case, the Postal Service has determined that carrier service, coupled with service at nearby post offices, is a reasonable solution that will yield economic savings and is more cost effective than maintaining the Avalon postal facility and postmaster position. Postal Service Comments at 15.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).



*Economic savings.* The Postal Service estimates total annual savings of \$49,679. Final Determination at 4. It derives this figure by summing the following costs: postmaster salary and benefits (\$44,279) and annual lease costs (\$5,400). *Id.* Also, a one-time expense of \$7,969 will be incurred for relocation of the Avalon facility. *Id.*

Petitioner contends that the Final Determination contains factual errors, including a failure to list the Avalon post office's postage meter customers and to include their revenues and other FY 2010 revenues in calculating economic savings. Petition at 3. The Postal Service explains that its omission of revenues from postage meter customers and others was not an oversight, since the economic savings calculation is intended to measure cost savings, not the potential revenue loss that could result from a closing such that revenues are not a factor. Postal Service Comments at 14.

Petitioner also criticizes the Postal Service for failing to include on-going lease obligations in the savings calculation; for failing to include other Postal Service expenses, such as vehicle wear-and-tear and increased fuel expenses in the savings calculation; and for failing to adjust the projected savings to reflect the cost of the CBUs. Petition at 3, 8, 13.

The Postal Service argues that its method of projecting savings was based upon its standard financial analysis that takes into account specific cost drivers of rural route service. Postal Service Comments at 15. Although it did not adjust its projected economic savings to reflect the one-time cost of CBUs, the Postal Service did estimate the cost of the CBUs. Final Determination at 4.

Petitioner is correct in pointing out that the Avalon post office lease does not expire until 2014. Petition at 3. The exact date of the lease's expiration is August 31, 2014. Administrative Record, Item No. 42 at 1. Until expiration of the lease, the \$5,400 annual rental cost included in the Postal Service's projected economic savings will not be realized. In the meantime, the projected savings of \$49,679 should be reduced by \$5,400 to \$44,279.

Petitioner is also correct in asserting that costs of replacement service should be deducted from projected economic savings. Petition at 8, 13. The Postal Service states



that it has taken replacement service costs into account using its standard methodology. Postal Service Comments at 15. The record shows that the Postal Service did, in fact, calculate the annual cost of replacement service. Administrative Record, Item No. 17 at 2. That cost is estimated to be \$13,890. *Id.* That estimated cost is not included in the Final Determination's calculation of projected economic savings. See Final Determination at 4. However, even if the added replacement service costs had been factored into the economic savings, the Postal Service would realize the net financial benefits. When an adjustment is made for the additional costs of replacement service, the Postal Service's estimate of annual savings is reduced further from \$44,279 to \$30,389.

Petitioner also challenges the Postal Service's failure to consider increased costs that will be borne by customers, such as increased fuel costs for travelling to the Italy post office. Petition at 14. The Postal Service argues that most postal transactions can be handled by the rural route carrier and that travel to the Italy post office will not be necessary. Postal Service Comments at 6. Even if increased customer costs were a proper subject for consideration in a discontinuance proceeding, Petitioner has offered no estimate of those costs.

Finally, Petitioner criticizes the Postal Service for failing to consider an alternative plan to reduce costs. *Id.* at 12. The Postal Service states that it determined that carrier service coupled with service at nearby post offices is a reasonable solution that will yield economic savings, and that it is not required to evaluate alternative proposals. Postal Service Comments at 14.

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).



## VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Avalon post office is affirmed.<sup>10</sup>

*It is ordered:*

The Postal Service's determination to close the Avalon, Texas post office is affirmed.

By the Commission.

Shoshana M. Grove  
Secretary

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<sup>10</sup> See footnote 3, *supra*.



## DISSENTING OPINION OF CHAIRMAN GOLDWAY

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the Avalon post office has been operated by a non-career officer-in-charge (OIC) since the former postmaster retired on January 1, 2010. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal because only an OIC will be eliminated; yet on the other hand, it argues that the savings should be calculated using a full-time postmaster position.

The Postal Service already claims billions of dollars in savings from reducing labor costs. I believe the savings from substituting OICs in postmaster positions throughout the nation have already been included in those billions. There are inherent and blatant contradictions in the Administrative Record that must be corrected on remand.

In addition, the economic analysis identified in the Final Determination does not take into consideration the lease costs required until expiration of the lease in 2014.

It is not the statutory responsibility of the Commission to correct the Administrative Record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data were in the Administrative Record. Therefore, the decision to close should be remanded to the



Postal Service to correct the Administrative Record and present a more considered evaluation of potential savings.

Further, the Commission has often expressed a concern—and I have consistently expressed the concern—that the maintenance of adequate service requires providing an adequate number of post boxes in the receiving facility. The Avalon post office serves 165 post office box customers, yet the substitute office in Italy has only 61 boxes available. The assumption that every customer will forego a post office box in favor of a cluster box is speculative. Thus, the record does not show that the Postal Service has sufficiently considered the issues raised by customers concerning the provision of effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

Moreover, the Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process, but had not yet received a discontinuance notice by December 12, 2011, have the respite of a 5-month moratorium and the opportunity to have further consideration of alternatives by the Postal Service.

The citizens of Avalon, Texas and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway



## DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The current lease does not terminate until August 31, 2014, and does not have a 30-day termination clause. Administrative Record, Item 18 at 1. The Postal Service should note that any savings from the lease will not be realized for nearly 3 years.

In addition, the Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility since January 2010, not an EAS-11 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis. As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

The Administrative Record indicates that delivery service will be provided by rural route service to cluster box units and the annual cost for providing this service to centralized boxes is \$13,890.24. The Postal Service should have included this amount as its estimate of the annual cost of replacement service, and not \$0. Administrative Record, Item 17 at 2. Final Determination at 2 and 4.

The Postal Service also indicates that only retail window transactions are counted and that revenue from permit/postage meter customers is not included because permit and postage meter customers typically use Bulk Mail Entry Units (BMEUs), carriers, or Postal Service drop boxes. Postal Service Comments at 10 and 11, See also n.24. However, there is no indication in the Administrative Record if the three permit/postage meter customers utilize BMEUs, carriers, or drop boxes. It is important for the Postal Service to accurately reflect all business activities at each post office to determine the potential impact on the community it serves.



I find that the Administrative Record evidence does not support the Postal Service's decision to discontinue operations at the Avalon post office and should be remanded.

Nanci E. Langley